



**MEETING OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY**
**33 N Dearborn St, Suite 1000
Chicago, IL 60602**

Minutes for the November 5, 2015 Meeting of the Board

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County are herein collectively referred to as the "Fund."

Call to Order and Roll Call

Trustees Present:	Alexis Herrera, Diahann Goode, Brent Lewandowski, Patrick McFadden, Patrick Nester, Samuel Richardson, Jr. and Lawrence Wilson
Staff Present:	Nickol R. Hackett, Executive Director & CIO; Michael Maratea, Director of Finance and Administration; Gary LeDonne, Senior Benefit Advisor; Brenda Deming, Director of Health Benefits; Margaret Fahrenbach, Legal Adviser; Paul Rzeszutko, Director of Annuity Benefits; Beverly Romanini, Office Manager; Fernando Vinzons, Investment Officer; Kwesi Quaye, Investment Analyst; Courtney Hollins, Communications Manager
Others Present:	Theron Picketts, Topeka Capital; Thomas Edstrom, AFSCME Council 31; Audrey Wang, Attucks Asset Management; Abin Kuriakose, Commissioner Gainer's Office

Trustee Herrera opened the meeting for public comment and no one having requested to address the Board, the next item of business on the Agenda was considered.

1. Review and Consideration of:

a. October 1, 2015 Board Meeting Minutes

Trustee McFadden stated that the minutes of the October 1, 2015, should be amended on their face in regard to two motions under Item 7a, concerning the approval of certain health benefits and to the Board's discussion under Item 5a about the preparation of correspondence related to the unfunded status of the Pension Fund. He referred to page 9 of the proposed minutes when the Board considered the motion that there would be no change to the copayment of \$25 for any medical services the members received. He noted that the vote by Trustee Herrera on the motion was not correctly recorded because the minutes showed that she had voted both "Aye" and "Nay". Trustee Herrera stated that she had only voted "Nay" on the motion.

The Board also approved a hearing aid benefit under the medical plan which would provide for a lifetime benefit of \$2,500 for each ear and that the benefit would be re-evaluated in 2016.

Trustee McFadden next referred to the motion under Item 7a providing that a member who receives physical therapy, chiropractic service, rehabilitative therapy or acupuncture treatment would be responsible for a \$15 copayment. He clarified that the \$15 copayment would not apply if those services were received from a medical doctor.

Trustee McFadden then stated that the Board's discussion under Item 5a included a direction to Fund staff to prepare a draft communication to all stakeholders regarding the funded status of the Pension Fund. Trustee Goode noted that it was her suggestion at the meeting that the matter should go before the Board's Legislative Committee.

It was moved by Trustee Goode and seconded by Trustee Lewandowski that the minutes of the October 1, 2015 Board, as amended, be adopted.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

2. Review and Consideration of:

a. Bills, Payroll Records

The Fund's monthly bills and payroll records were presented for the Board's approval. It was moved by Trustee McFadden and seconded by Trustee Lewandowski that the action taken by the Fund's staff in remitting payments for the presented bills and payroll records be approved.

Roll Call Vote:

AYES: Goode, Herrera, Lewandowski, McFadden, Nester, Richardson, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

b. Annuities, Spouse and Child Annuities and Refunds

The Fund's staff presented their recommendations to the Board regarding the applications for annuities, spouse and child annuities, and refunds and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was then moved by Trustee McFadden and seconded by Trustee Goode, after due consideration of the applications presented to the Board and having received confirmation from the staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented annuities and refunds be approved.

Roll Call Vote:

AYES: Goode, Herrera, Lewandowski, McFadden, Nester, Richardson, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

c. Ordinary and Duty Disabilities

The Fund's staff presented their recommendations to the Board regarding the applications for ordinary and duty disability benefits and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was moved by Trustee McFadden and seconded by Trustee Nester, after due consideration of the disability applications presented to the Board and having received confirmation from staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented disability applications be approved.

Roll Call Vote:

AYES: Goode, Herrera, Lewandowski, McFadden, Nester, Richardson, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

3. Administrative Report

a. Reminder for Trustee Reimbursements for Year-End

The Executive Director reminded the Board that any reimbursements due for expenditures in 2015 should be submitted to the Finance Department before the end of the year.

b. Vendor Change – Fund Office General Ledger System

Michael Maratea, Director of Finance and Administration, presented a request to engage TTD Enterprises for on-going support and system upgrades to the Fund's general ledger system. Mr. Maratea stated that the support team from the current vendor had transitioned to TTD Enterprises and that the Fund had been satisfied with the quality of the services received from that team. He added that TTD Enterprises would provide the needed support for the Fund's Microsoft Great Plains system at a lower cost than the current vendor. Trustee McFadden inquired about the change of personnel from the legacy vendor and the service platform of the proposed vendor.

It was moved by Trustee McFadden and seconded by Trustee Lewandowski that the Board approve the Fund's request to retain TTD Enterprises to upgrade the Microsoft Great Plains system at a cost not to exceed \$5,900 and to provide system support at an hourly rate of \$150. It is further moved that the Fund staff shall have the authority to take all action reasonably necessary to effectuate the foregoing including the execution and delivery of related written agreements on behalf of the Fund by the Executive Director.

Roll Call Vote:

AYES: Goode, Herrera, Lewandowski, McFadden, Nester, Richardson, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

c. Open Enrollment Update

Brenda Deming, Director of Health Benefits, reported on the Open Enrollment events conducted in Orland Park on October 29th and in Chicago at the County Administration Building on October 30th. Ms. Deming stated that the events were well attended with estimated attendance of 465 and that the members have had positive experiences with Unitedhealth Care ("UHC"). She noted that additional Open Enrollment sessions were scheduled for November 6th in Lincolnwood and for November 10th on the southside of Chicago. Trustee Lewandowski stated that he had attended the session in Orland Park. He spoke with representatives from UHC and found that they were knowledgeable and provided helpful responses to his inquiries. Trustee Lewandowski encouraged the other trustees to attend the remaining Open Enrollment meetings.

4. Other Benefit Matters

a. Untimely Disability Hearing Request

This item was deferred for consideration because the staff member responsible for its presentation was unavoidably detained and not yet in attendance at the Board meeting.

5. Election Report

a. Report of Independent Election Administrator

Paul Rzeszutko, Director of Annuity Benefits, reported on the results of the trustee election that was conducted on October 28, 2015. Mr. Rzeszutko stated that the elections went smoothly and that the election turnout was consistent with the Fund's experiences in prior years. He added that there was no need for any changes to the rules governing the election procedures. Mr. Rzeszutko presented the reports that the Fund had received from the Independent Election Administrator, including the Proclamations and Declarations of the winners for each of the newly elected trustees.

It was moved by Trustee Lewandowski and seconded by Trustee Richardson that the letter dated September 21, 2015, regarding the Sole Candidacy for the Cook County Employee Member Trustee position in the Election scheduled to be held on October 28, 2015, be accepted as a true and accurate report and, consistent therewith, that Diahann Goode was the sole candidate for the position, that she meets the requirements of the office and that she was elected as the Cook County Employee Member Trustee.

It was also moved by Trustee Lewandowski and seconded by Trustee Richardson that the Final Report of the Independent Election Administrator letter dated November 4, 2015, be accepted as a true and accurate report of the results of the election held on October 28, 2015, and consistent therewith, that Patrick J. McFadden was elected as the Cook County Annuitant Member Trustee and that Dennis White was elected as the Forest Preserve District Employee Member Trustee.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

- b. Proclamation of Election and Declaration of the Winner of the Cook County Employee, Cook County Annuitant and Forest Preserve Employee Election held on October 28, 2015

It was moved by Trustee McFadden and seconded by Trustee Richardson that the Proclamation of Election and Declaration of the Winner of the Cook County Employee Member Election scheduled to be held on October 28, 2015, be accepted and, consistent therewith, that Diahann Goode be declared the winner of that election and that she be administered and execute the Oath of Office. It is further moved that the Fund's staff take all action necessary to file a copy of the executed Oath of Office with the Cook County Clerk as required by Section 9-186 of the Illinois Pension Code.

It was moved by Trustee McFadden and seconded by Trustee Richardson that the Proclamation of Election and Declaration of the Winner of the Cook County Annuitant Member Election held on October 28, 2015, be accepted and, consistent therewith, that Patrick J. McFadden be declared the winner of that election and that he be administered and execute the Oath of Office. It is further moved that the Fund's staff shall take all action necessary to file a copy of the executed Oath of Office with the Cook County Clerk as required by Section 9-186 of the Illinois Pension Code.

It was moved by Trustee McFadden and seconded by Trustee that the Proclamation of Election and Declaration of the Winner of the Forest Preserve District Employee Member Election held on October 28, 2015, be accepted and, consistent therewith, that Dennis White be declared the winner of that election and that he be administered and execute the Oath of Office. It is further moved that the Fund's staff shall take all action necessary to file a copy of the executed Oath of Office with the Cook County Clerk as required by Section 9-186 of the Illinois Pension Code.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

6. Investment Committee Report

The Executive Director & CIO reported on the investment consultant search. She stated that the Fund had met with the representatives of Callan & Associates who would be responsible for providing investment consulting services to the Fund. The Callan representatives had the requisite skills and had demonstrated a renewed commitment to providing the consulting services that the Fund required. Trustee Wilson stated that he had recently attended the Callan college conference and shared his observations. The trustees discussed the merits of the other finalists in the search,

including RVKuhns. It was suggested that the Fund consider retaining Callan as the investment consultant for a shorter period than provided under the present engagement and possibly retain RVKuhns on specific projects as they might arise. The Board will consider the matter at the meeting in December.

7. Legislative Matters

a. Intergovernmental Agreement Ratification

The Executive Director reported that counsel for both Cook County and the County Fund had agreed to terms for an Intergovernmental Agreement (“IGA”) that would allow a transfer of sales tax revenue from Cook County to the County Fund in 2016. The Executive Director stated that there might be a meeting of the County’s Finance Committee regarding the IGA before it is presented for approval to the County Board. It was acknowledged that because Cook County and the Forest Preserve District are separate entities with different revenue sources, that the Forest Fund could not receive additional funding from the sales tax revenue under the IGA. Trustee Richardson expressed his support of the IGA for the County Fund, but also voiced his concern for the absence of a solution for the Forest Fund. Mr. Richardson further emphasized the need to achieve a similar resolution for the Forest Fund given its funding challenges. He stated that the Board should engage the Forest Preserve District Board to provide similar additional revenue to the Forest Fund as will be provided to the County Fund under the terms of the IGA.

It was moved by Trustee Nester and seconded by Trustee McFadden that the Board ratify the proposed Intergovernmental Agreement (“IGA”) between Cook County and the County Fund, as presented, and that the President of the Retirement Board be authorized to execute the IGA on behalf of the County Fund, so long as and after such time that the County Board approves a budget for its 2016 Fiscal Year that includes an appropriation consistent with the terms of the IGA.

Roll Call Vote:

AYES: Goode, Herrera, Lewandowski, McFadden, Nester, Richardson, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

8. Old Business/New Business

Paul Rzeszutko, Director of Annuity Benefits, stated that the Illinois Department of Insurance had released information regarding the 2016 Tier II COLA and 2016 Tier II annual salary cap. He reported that there will not be a COLA adjustment in 2016 for Tier II annuitants and that the salary cap for Tier II annuitants in 2016 will remain at \$111,571.63, as it had been in 2015.

Trustee Richardson announced that he intended to retire as of December 31, 2015. The trustees and Fund staff thanked Trustee Richardson for his service to the Board and congratulated him on his retirement.

Gary LeDonne, Senior Benefits Advisor, then joined the meeting and the Board was able to consider Item 4a on the Agenda that had been deferred.

4. Other Benefit Matters

a. Untimely Disability Hearing Request

Gary LeDonne, Senior Benefits Advisor presented the Board with a request to change the time period in which a member may request an administrative hearing after an application for benefits is denied. Currently, a member has 30 days in which to request an administrative hearing. Mr. LeDonne stated that allowing 60 days would be more reasonable, but that if the member fails to make a timely request that the Board's decision should be final. He stated that members sometime file a second application for the same claim if they fail to request an administrative hearing within 30 days. If the initial Board decision were to become final, the Fund would not be required to process duplicate applications for the same claim.

It was moved by Trustee McFadden and seconded by Trustee Lewandowski that if a member does not request an administrative hearing within 60 days after a request for benefits is denied, the Board's decision denying the benefits becomes a final decision, unless the member can show a reasonable cause for delay.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

Mr. LeDonne next stated that Member #182820 had filed an application for Ordinary Disability benefits that was denied by the Board on October 2, 2014, because she had failed to provide the required medical documentation. The Fund notified that Member of the Board's decision. The Member filed a request for an administrative hearing on June 29, 2015, which was more than 30 days after she received notice of the Board's decision denying her benefits. The Member never submitted the required medical documentation.

It was moved by Trustee McFadden and seconded by Trustee Richardson that the request for an administrative hearing made by Member #182820 which was made more than eight months after her application for Ordinary Disability benefits was denied by the Board be deemed not timely filed.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

9. Adjournment

There being no further business before the Board, it was moved by Trustee McFadden and seconded by Trustee Goode that the trustees adjourn the meeting.

The next Board meeting is scheduled for December 3, 2015, at 9:30 a.m.